



Finance Meeting

November 13th, 2024

ZOOM

Call to Order: 9:00 AM

### Attendance:

Karli Mackley, Mike Tavlin, John Wirtz, Krystal Siebrandt, Sherrie Tepe, Andy Martz, John Laflin, Tina Udell, Ed Schulenberg

Dr. John Neal, Angelina Cuning, Lindsay Rogers, Parker Dushan

### Consent Agenda:

A motion to approve the minutes from the previous meeting was made, seconded, and unanimously approved by the committee.

### Annual Goals:

John outlined the Foundation's annual goals for the coming year, including streamlining fund management, initiating the search for a new president, and enhancing community transparency, among other priorities.

### Financials:

Krystal presented the August financials, highlighting total assets of \$20.3 million. She focused on page 3, detailing revenue and expenses by area. Key points included that operating income losses were less than anticipated and that the fiscal year closed with results closely aligned with the planned budget.

Turning to the September financials for the current fiscal year, Krystal reviewed operational expenses, investments, revenue, and other financial details. She noted a positive balance of \$68,000 in operating expenses so far this fiscal year.

Karli expressed gratitude to Krystal, Sherrie, and the FLPS staff for their hard work.

A motion to approve the financials was made, seconded, and unanimously approved by the committee

### **Audit Update:**

Angelina noted that an audit by Buckley & Sitzman is currently underway, and we are awaiting their response upon its completion. Once finalized, the audit committee will convene to review the audit with Buckley & Sitzman.

### **RFP Review:**

Mike reviewed his process of issuing RFPs to seven firms, with six firms responding and one declining. After receiving all proposals, he distributed them to the Investment Committee members for review. Mike noted that committee members' evaluations were closely aligned, with DA Davidson, Fiducient, and Mercer ranking highest on their lists.

Mike further discussed the Foundation's relationship with UBT, acknowledging the committee's concerns but also highlighting UBT's history of donations to the Foundation. It was noted that several board members have connections to UBT and are aware of their gift history. John Laflin expressed caution about moving firms, particularly considering the 5% allocation, due to the established relationship. Mike also mentioned UBT's previous disagreement with the Foundation's request to shift from a 60/40 to a 70/30 allocation, which resulted in some financial loss. In contrast, DA Davidson agreed to implement the 70/30 allocation.

Mike asked Karli for a motion to approve the decision regarding which of the top three firms selected by the Investment Committee will manage the remaining 95% of the Foundation's investments, while also notifying UBT that they will retain their 5% allocation.

A motion was made, seconded, and unanimously approved by the committee.

### **President Update:**

John Neal discussed Carsten's Fund, mentioning that Kass is planning to reach out and that a final decision will be made at the next meeting. Karli provided a brief overview of Carsten's Fund to ensure all committee members were informed. She explained that the scholarship fund was found to be in the negative following Wendy's departure, despite the Foundation still being obligated to fulfill payments for students currently enrolled and utilizing the scholarship.

Ginna inquired why the committee had not been made aware of this situation earlier. Karli responded that it seemed the issue was previously downplayed, being told it would be handled. She added that once Kass has spoken with the donor, she will report back, and a decision will be made on how to proceed.

John Wirtz emphasized that the funds should be reviewed to prevent this from happening again. John Neal added that an audit is underway, and efforts are being made to ensure similar issues do not exist elsewhere in the system, as well as to prevent future occurrences.

It was discussed that it may be beneficial to develop a system for monitoring funds approaching a negative threshold to prevent similar situations in the future.

**Adjourn:**

Karli adjourned the meeting at 9:57AM